

Introduced by Senator Ortiz

February 17, 2004

An act to amend Section 2070 of the Insurance Code, relating to insurance policies.

LEGISLATIVE COUNSEL'S DIGEST

SB 1315, as introduced, Ortiz. Insurance: insurance policies: standard forms.

Under existing law all fire insurance policies in California shall be on a standard form, and, except as provided shall not contain additions. Additionally, existing law provides that no part of the standard form shall be omitted except that any policy providing coverage against the peril of fire only, or in combination with coverage against other perils, need not comply with the provisions of the standard form of fire insurance policy or other specified provisions; provided, that coverage with respect to the peril of fire, when viewed in its entirety, is substantially equivalent to or more favorable to the insured than that contained in such standard form fire insurance policy.

This bill would provide that no policy containing changes to the standard form may be issued in this state unless a copy of the form is filed with the commissioner. The bill would authorize the commissioner to disapprove a policy form if specified conditions are met.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



The people of the State of California do enact as follows:

SECTION 1. Section 2070 of the Insurance Code is amended to read:

2070. (a) All fire policies on subject matter in California shall be on the standard form, and, except as provided by this article shall not contain additions thereto. No part of the standard form shall be omitted therefrom except that any policy providing coverage against the peril of fire only, or in combination with coverage against other perils, need not comply with the provisions of the standard form of fire insurance policy or Section 2080; provided, that coverage with respect to the peril of fire, when viewed in its entirety, is substantially equivalent to or more favorable to the insured than that contained in such standard form fire insurance policy.

(b) *No policy containing changes to the standard form as provided for in subdivision (a) may be issued in this state unless a copy of the form is filed with the commissioner. The commissioner may disapprove a policy form if any of the following apply:*

(1) *It violates or does not comply with this code, or any rule relating to this code adopted by the commissioner, or is otherwise contrary to law.*

(2) *It contains provisions or has any titles or headings that are unjust, encourage misinterpretation, are deceptive, or are violative of public policy.*

(3) *It is likely to contribute to a significant health risk or to a property being in an uninhabitable condition.*

The commissioner's order disapproving any form or certificate, or any notice of the commissioner's intention to withdraw a previous approval, shall state the grounds for the disapproval in enough detail to reasonably inform the filer of the grounds.

(c) *The commissioner may adopt regulations necessary to implement this section.*